

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Impact of Oil Disruption on Agency Programs and Operations

FROM:

C/HOME/OL
3E14 Headquarters

EXTENSION

NO.

OL 10176-84

STAT

DATE

10 July 1984

STAT

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

STAT

1. C/I&MSS/OL
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10 July 1984

MEMORANDUM FOR: Chief, Information and Management Staff, OL

FROM: Chief, Headquarters Operations, Maintenance and Engineering Division, OL

SUBJECT: Impact of Oil Disruption on Agency Programs and Operations

REFERENCE: A. Memo from C/I&MSS/OL to C/HOME/OL dtd 22 June 84, Same Subject

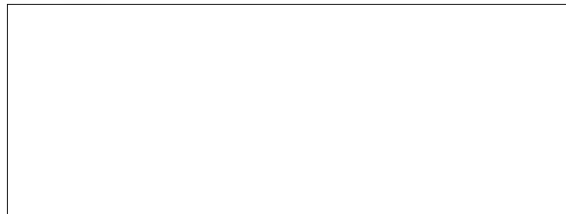
B. Ltr from FEMA to O/ExDir dtd 14 June 84, Same Subject

STAT

Pursuant to your request contained in Reference A, please be advised that, as can be presently ascertained, there would be no adverse impact on Agency programs and operations in the event of an oil supply disruption under the conditions stated in Reference B guidelines. The reason to the forementioned assumption is based upon the Agency recurring priority allocation of fuel for National Defense purposes as authorized under the Defense Production Act.

STAT

Attachments
References



OL 10176-84

REFERENCE
A

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Impact of Oil Supply Disruption on Agency Programs and Operations

FROM:

Chief

Information and Management Support Staff

EXTENSION

NO.

OL 4124-84

STAT

DATE

22 JUN 1984

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

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HOME/OL

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DC/140mc

DO/140mc

Pls note dead line date.

Pet-

please get with MPS
and E4C D re their
urgent and draft response

22 JUN 1984

MEMORANDUM FOR: Chief, Headquarters Operation, Maintenance
and Engineering Division, OL
Chief, Supply Division, OL

FROM: [redacted] Chief
Information and Management Support Staff, OL

STAT

SUBJECT: Impact of Oil Supply Disruption on Agency
Programs and Operations

REFERENCE: Memorandum for [redacted] OEXDIR,
fm. John K. Krueger, FEMA, dtd. 14 June 1984,
same subject, (DDA 84-1787)

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1. The referent requests that the Agency submit, to the Federal Emergency Management Agency (FEMA), an impact statement on the effect that an oil supply disruption would have on Agency programs and operations. Accordingly, the Office of Logistics (OL) has been tasked with preparing the Agency's response to FEMA.

2. As the major consumers/distributors of oil and gasoline in the Agency, it is requested that you review your requirements for these items. Based on that review, it is further requested that you prepare an impact paper on the effect of a disruption in oil and gasoline supplies. Your paper should be prepared in accordance with the guidelines and assumptions set forth in the attached Guidelines for Impact Assessment, and should address both a moderate and severe shortage situation.

3. Please submit your response to this staff by COB 02 July 1984. If you have any questions regarding this request, please contact [redacted] on extension [redacted]

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OL 4124-84

REFERENCE
B



Federal Emergency Management Agency

Washington, D.C. 20472

JUN 14 1984

STAT

[Redacted]
Office of Executive Director
Central Intelligence Agency
Room 7E19
Washington, DC 20505

Dear Emergency Coordinator:

The Domestic and International Energy Policy Group has requested that this agency query the Federal establishment for potential impacts of an oil supply disruption on agency programs and operations. To most Federal civil agencies, fuel price and availability is only a very minor direct consideration. To others, such as the Postal Service, it may be significant. For some, the major impact may be in program areas such as a need for increased financial assistance to the aged, the handicapped and the poor in meeting increased heating bills.

In determining the impact an oil supply disruption would have upon your agency, please use the enclosed guidelines. Please respond in writing by July 15, 1984.

Your cooperation in this effort will be appreciated. Mr. Robert Frandsen, (202) 287-3952, will provide staff support for this agency on this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul K. Krueger", is written over a horizontal line.

Paul K. Krueger
Assistant Associate Director
for Resources Preparedness

Enclosures

GUIDELINES FOR IMPACT ASSESSMENTPolicy

- A free market policy will apply.
- Prices will be allowed to rise so that supply will balance demand.
- Although supply will be reduced, there will be virtually no gasoline lines such as occurred during the seventies, this is due to higher prices causing users to curtail demand.
- There will be no fuel rationing.
- There may be some use of priorities and allocations of fuel, but this will be restricted to National defense purposes as authorized under the Defense Production Act.

Price and Economic Impacts

	<u>Current</u>	<u>12-Month Average</u>	
		<u>Moderate*</u>	<u>Severe**</u>
World Oil Price, \$bbl	\$29.00	\$40.00	\$63.00
Gasoline Prices, \$gal	1.20	1.49	2.02
Heating Oil Prices, \$gal	1.10	1.35	4.59
U.S. GNP Loss (% points)		1.5	2.9
Inflation Rate (CPI) Increase (% points)		2.3	4.3
Unemployment Rate Increase (% points)		0.6	1.2
Industrial Production Decrease (% points)		3.3	6.2

*90% of high end of range for Case 2 with no SPR drawdown.
 **90% of high end of range for Case 4 with U.S. SPR drawdown only.